

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Park	County Ottawa
Fiscal Year End 3/31/07	Opinion Date 9/18/07	Date Audit Report Submitted to State 9/21/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


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Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>	SAS 112 Communication of Significant Deficiencies and Material Weaknesses	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Ferris, Busscher & Zwiers, P.C.		Telephone Number (616) 392-8534	
Street Address 675 E. 16th Street, Suite 100		City Holland	State MI
Authorizing CPA Signature 		Printed Name James L. Zwiers, C.P.A.	Zip 49423
		License Number 1101009267	

**TOWNSHIP OF PARK**  
**OTTAWA COUNTY, MICHIGAN**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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September 18, 2007

Township Board  
Township of Park  
Ottawa County, Michigan

### INDEPENDENT AUDITORS' REPORT


We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Park, as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the index. These financial statements are the responsibility of the management of the Township of Park. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Township of Park as of March 31, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 22 through 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Township of Park has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

A handwritten signature in cursive script, reading "Ferris, Busscher & Zwiens".

FERRIS, BUSSCHER & ZWIERS, P.C.  
Certified Public Accountants  
Holland, Michigan

## BASIC FINANCIAL STATEMENTS

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF NET ASSETS  
MARCH 31, 2007

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash	\$ 7,796,522	\$ 220,002	\$ 8,016,524
Receivables, net	889,279	314,033	1,203,312
Prepaid insurance	12,952	-	12,952
Capital assets			
Land	2,229,554	-	2,229,554
Other capital assets, net of depreciation	<u>6,020,757</u>	<u>6,260,194</u>	<u>12,280,951</u>
 TOTAL ASSETS	 <u>\$ 16,949,064</u>	 <u>\$ 6,794,229</u>	 <u>\$ 23,743,293</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 134,715	\$ 110,855	\$ 245,570
Internal balances	<u>(451,051)</u>	<u>451,051</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>\$ (316,336)</u>	 <u>\$ 561,906</u>	 <u>\$ 245,570</u>
NET ASSETS			
Invested in capital assets	\$ 8,250,311	\$ 6,260,194	\$ 14,510,505
Restricted			
Recreation	1,372,462	-	1,372,462
Public safety	693,723	-	693,723
Unrestricted	<u>6,948,904</u>	<u>(27,871)</u>	<u>6,921,033</u>
 TOTAL NET ASSETS	 <u>\$ 17,265,400</u>	 <u>\$ 6,232,323</u>	 <u>\$ 23,497,723</u>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2007

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
PRIMARY GOVERNMENT			
Governmental activities			
General government	\$ 1,209,449	\$ 32,719	\$ -
Public safety	1,276,383	168,072	-
Public works	335,230	7,063	131,265
Recreation	<u>623,383</u>	<u>100,060</u>	<u>10,000</u>
Total governmental activities	<u>\$ 3,444,445</u>	<u>\$ 307,914</u>	<u>\$ 141,265</u>
Business-type activities			
Water	<u>\$ 1,059,671</u>	<u>\$ 980,803</u>	<u>\$ -</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,504,116</u>	<u>\$ 1,288,717</u>	<u>\$ 141,265</u>
General revenues			
Taxes			
Property taxes, levied for general purposes			
Property taxes, levied for public safety			
Property taxes, levied for recreation			
State shared revenues			
Unrestricted investment income			
Miscellaneous			
Total general revenues			
CHANGE IN NET ASSETS			
NET ASSETS - APRIL 1			
NET ASSETS - MARCH 31			

See notes to financial statements

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ -	\$ (1,176,730)	\$ -	\$ (1,176,730)
-	(1,108,311)	-	(1,108,311)
245,550	48,648	-	48,648
<u>10,000</u>	<u>(503,323)</u>	<u>-</u>	<u>(503,323)</u>
<u>\$ 255,550</u>	<u>\$ (2,739,716)</u>	<u>\$ -</u>	<u>\$ (2,739,716)</u>
<u>\$ 151,550</u>	<u>\$ -</u>	<u>\$ 72,682</u>	<u>\$ 72,682</u>
<u>\$ 407,100</u>	<u>\$ (2,739,716)</u>	<u>\$ 72,682</u>	<u>\$ (2,667,034)</u>
	\$ 786,910	\$ -	\$ 786,910
	586,726	-	586,726
	830,555	-	830,555
	1,222,607	-	1,222,607
	434,335	31,040	465,375
	<u>62,330</u>	<u>-</u>	<u>62,330</u>
	<u>\$ 3,923,463</u>	<u>\$ 31,040</u>	<u>\$ 3,954,503</u>
	\$ 1,183,747	\$ 103,722	\$ 1,287,469
	<u>16,081,653</u>	<u>6,128,601</u>	<u>22,210,254</u>
	<u>\$ 17,265,400</u>	<u>\$ 6,232,323</u>	<u>\$ 23,497,723</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2007

	<u>General</u>	<u>Sewer Distribution</u>	<u>Township Improvements</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 5,379,632	\$ 779,082	\$ 1,631,362	\$ 7,790,076
Accounts receivable	206,906	-	-	206,906
Assessment receivable	4,679	411,062	-	415,741
Interest receivable	55,737	-	42,749	98,486
Prepaid insurance	12,952	-	-	12,952
Due from other funds	<u>76,082</u>	<u>455,228</u>	<u>-</u>	<u>531,310</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,735,988</u>	<u>\$ 1,645,372</u>	<u>\$ 1,674,111</u>	<u>\$ 9,055,471</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 71,756	\$ 1,878	\$ -	\$ 73,634
Deferred revenue	23,140	411,062	-	434,202
Accrued vacation	<u>42,621</u>	<u>-</u>	<u>-</u>	<u>42,621</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 137,517</u>	<u>\$ 412,940</u>	<u>\$ -</u>	<u>\$ 550,457</u>
<b>FUND BALANCES</b>				
Reserved	\$ 2,066,185	\$ -	\$ -	\$ 2,066,185
Unreserved	<u>3,532,286</u>	<u>1,232,432</u>	<u>1,674,111</u>	<u>6,438,829</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 5,598,471</u>	<u>\$ 1,232,432</u>	<u>\$ 1,674,111</u>	<u>\$ 8,505,014</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,735,988</u>	<u>\$ 1,645,372</u>	<u>\$ 1,674,111</u>	<u>\$ 9,055,471</u>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF  
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS  
MARCH 31, 2007

Fund balances - Total governmental funds	\$ 8,505,014
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - Capital assets	11,144,615
Deduct - Accumulated depreciation	(2,894,304)

Tax, special assessment, or other revenues unearned or unavailable in < 60 days for expenditures reported in fund statements.

Add - Receivables	94,334
Add - Deferred revenue	<u>415,741</u>

Net assets of governmental activities	<u>\$ 17,265,400</u>
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TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2007

	<u>General</u>	<u>Sewer Distribution</u>	<u>Township Improvements</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes and special assessments	\$ 2,339,031	\$ 115,463	\$ -	\$ 2,454,494
Licenses and permits	144,631	-	-	144,631
State shared revenues	1,221,874	-	-	1,221,874
Charges for services	34,133	-	-	34,133
Recreation	100,060	-	-	100,060
Interest	311,971	66,103	56,261	434,335
Reimbursements	16,968	-	-	16,968
Donations	10,000	-	-	(10,000)
Miscellaneous	<u>77,389</u>	<u>7,063</u>	<u>-</u>	<u>84,452</u>
<b>TOTAL REVENUES</b>	<u>\$ 4,256,057</u>	<u>\$ 188,629</u>	<u>\$ 56,261</u>	<u>\$ 4,500,947</u>
<b>EXPENDITURES</b>				
General government	\$ 1,359,262	\$ -	\$ -	\$ 1,359,262
Public safety	1,041,886	-	-	1,041,886
Public works	298,962	10,878	-	309,840
Recreation	370,413	-	-	370,413
Capital outlay	<u>990,654</u>	<u>-</u>	<u>-</u>	<u>990,654</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,061,177</u>	<u>\$ 10,878</u>	<u>\$ -</u>	<u>\$ 4,072,055</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 194,880</u>	<u>\$ 177,751</u>	<u>\$ 56,261</u>	<u>\$ 428,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 66,800	\$ -	\$ 160,469	\$ 227,269
Transfers out	<u>(160,469)</u>	<u>(66,800)</u>	<u>-</u>	<u>(227,269)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 93,669</u>	<u>\$ (66,800)</u>	<u>\$ 160,469</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 101,211</u>	<u>\$ 110,951</u>	<u>\$ 216,730</u>	<u>\$ 428,892</u>
<b>FUND BALANCES - APRIL 1</b>	<u>5,497,260</u>	<u>1,121,481</u>	<u>1,457,381</u>	<u>8,076,122</u>
<b>FUND BALANCES - MARCH 31</b>	<u>\$ 5,598,471</u>	<u>\$ 1,232,432</u>	<u>\$ 1,674,111</u>	<u>\$ 8,505,014</u>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2007

Net change in fund balances - Total governmental funds	\$ 428,892
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital outlay	990,654
Add - Donated infrastructure	157,500
Deduct - Depreciation expense	(363,049)

Tax, special assessment, or other revenues unearned or unavailable in < 60 days for expenditures reported in fund statements.	(30,250)
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Change in net assets of governmental activities	<u>\$ 1,183,747</u>
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TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
MARCH 31, 2007

	Enterprise <u>Fund</u>
	<u>Water</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 218,230
Accounts receivable	103,307
Assessment receivable	210,726
Due from other funds	<u>1,772</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$ 534,035</u></b>
Noncurrent assets	
Capital assets	
Other capital assets, net of depreciation	<u>\$ 6,260,194</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 6,794,229</u></b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 110,855
Due to other funds	<u>451,051</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 561,906</u></b>
<b>NET ASSETS</b>	
Invested in capital assets	\$ 6,260,194
Unrestricted	<u>(27,871)</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 6,232,323</u></b>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
YEAR ENDED MARCH 31, 2007

	Enterprise Fund
	<u>Water</u>
OPERATING REVENUES	
Water billings	\$ 834,439
Water connection charges	141,488
Plan review	4,475
Miscellaneous	<u>401</u>
TOTAL OPERATING REVENUES	<u>\$ 980,803</u>
OPERATING EXPENSES	
Purchase of water	\$ 473,945
Hydrants	34,931
Utilities	5,071
Water connections, repairs and maintenance	80,473
Operating fees	180,254
Supplies	2,940
Professional services	31,682
Depreciation	244,549
Miscellaneous	<u>5,826</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,059,671</u>
OPERATING LOSS	<u>\$ (78,868)</u>
NONOPERATING REVENUES	
Interest income	<u>\$ 31,040</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ (47,828)</u>
CAPITAL CONTRIBUTIONS	<u>151,550</u>
CHANGE IN NET ASSETS	<u>\$ 103,722</u>
NET ASSETS - APRIL 1	<u>6,128,601</u>
NET ASSETS - MARCH 31	<u>\$ 6,232,323</u>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED MARCH 31, 2007

	Enterprise Fund
	<u>Water</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 977,415
Payments to suppliers	<u>(1,212,097)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (234,682)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Water system construction	\$ (174,203)
Contributed capital	<u>76,550</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (97,653)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>\$ 31,040</u>
NET DECREASE IN CASH	\$ (301,295)
CASH BALANCE - APRIL 1	<u>519,525</u>
CASH BALANCE - MARCH 31	<u>\$ 218,230</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (78,868)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	244,549
Change in assets and liabilities	
Receivables	(3,387)
Accounts and other payables	<u>(396,976)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (234,682)</u>
SCHEDULE OF NON-CASH INVESTING ACTIVITIES	
Donated water system construction	\$ (75,000)
Contributions	<u>75,000</u>
Cash disbursed	<u>\$ -</u>

See notes to financial statements

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND  
MARCH 31, 2007

	Property Tax <u>Collection</u>
ASSETS	
Receivables, net	\$ <u>60,092</u>
TOTAL ASSETS	\$ <u>60,092</u>
LIABILITIES	
Payables to other governments	\$ <u>60,092</u>
TOTAL LIABILITIES	\$ <u>60,092</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

REPORTING ENTITY

The Township was organized in 1915 and covers an area of approximately 20 square miles. The Township operates under an elected Board of Trustees (7 members) and provides services to its more than 18,500 residents in many areas including law enforcement, fire protection, community enrichment and development and human services. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 14, certain other governmental organizations are not considered to be part of the Township entity for financial reporting purposes.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT  
PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. Property taxes, state shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Property taxes for the Township are levied December 1st and are payable on February 15th. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Property tax revenues are recognized when levied to the extent that they result in current receivables. Delinquent taxes are received by Ottawa County. Collection of all taxes are accounted for in the agency fund.

The Township's property tax is levied on each December 1<sup>st</sup> on the taxable valuation of property (as defined by State statutes) located in Park Township as of the preceding December 31<sup>st</sup>. The Township's 2006 ad valorem tax is levied and collectible on December 1, 2006, and it is the Township's policy to recognize revenue from the current tax levy in the current year ended March 31, 2007.

The 2006 taxable valuation of the Township totaled \$830,645,051, on which ad valorem taxes levied consisted of .9435 mills for the Township's operating purposes, .7050 mills for police services, .4500 mills for parks, and .5480 mills for bike paths.

These taxes raised \$785,295 for operating, \$586,726 for police services, \$374,496 for parks, and \$456,059 for bike paths. These amounts are recognized in the General Fund financial statement as tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Sewer Distribution Fund accounts for financial resources to be used for the acquisition or construction of major sewer capital facilities which are not financed by the proprietary fund.

The Township Improvements Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by the proprietary fund.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Township reports the following major proprietary fund:

The Water Fund accounts for the activities of the water distribution system.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and conditions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for services. The Water Fund also recognizes the portion of connection fees intended to recover current costs as operating revenue. Investment income is recognized as nonoperating revenue. Operating expenses for proprietary funds include operating expenses, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits – Cash is considered to be cash on hand, demand deposits, and certificates of deposit.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Special Assessments Receivable – The governmental activities and business-type activities have special assessments recorded in the amount of \$626,467. Of the special assessment balance, \$415,741 is deferred because it is unavailable in the fund financial statements.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., water and sewer lines, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 to 60 years
Building improvements	15 to 30 years
Land improvements	15 to 30 years
Water and sewer lines	50 to 75 years
Fire trucks	25 years
Vehicles	5 to 10 years
Office equipment	7 to 10 years
Machinery and equipment	7 to 10 years

Compensated Absences (Vacation and Sick Leave) – Full-time, non-elected, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Sick leave accrues to full-time, non-elected, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination. All vacation pay is accrued when incurred in the government-wide statement at year-end.

Deferred Revenue – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

	<u>General Fund</u>
Reserved	
Bicycle paths	\$ 979,020
Parks	393,442
Public safety	<u>693,723</u>
	<u>\$2,066,185</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Assets – The Township's policy is to first apply restricted resources when an expense is incurred for which restricted and unrestricted net assets are available.

Accounting Estimates – The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the Township is the department level.

Excess of Expenditures Over Appropriations in Budgeted Funds – During the year, the Township of Park incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Budget Item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>	<u>Variance (Unfavorable)</u>
General Fund			
Capital outlay			
Recreation – Bicycle Paths	\$ 81,000	\$ 91,094	\$ (10,094)
Transfers out	72,000	160,469	(88,469)

NOTE 3– DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Sections 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivision which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township of Park Board has designated six banks for the deposit of Township funds. The Board adopted a deposit and investment policy in accordance with Public Act 196 of 1997.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 3- DEPOSITS AND INVESTMENTS (CONTINUED)

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Cash	\$ 7,796,522	\$ 220,002	\$ 8,016,524

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank deposits (checking and savings accounts, certificates of deposit)	\$ 8,016,524

The bank balance of the primary government's deposits is \$8,228,913, of which \$600,000 is covered by federal depository insurance and \$7,628,913 is uninsured and uncollateralized.

NOTE 4 – RECEIVABLES

Receivables as of year-end for the Township's individual major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Sewer Distribution</u>	<u>Township Improvements</u>	<u>Total</u>
Taxes receivable	\$ 1,796	\$ -	\$ -	\$ 1,796
Special assessments	4,679	411,062	-	415,741
Accounts	4,500	-	-	4,500
Intergovernmental	200,610	-	-	200,610
Interest and other	<u>131,819</u>	<u>455,228</u>	<u>42,749</u>	<u>629,796</u>
Gross receivables	\$ 343,404	\$ 866,290	\$ 42,749	\$1,252,443
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 343,404</u>	<u>\$ 866,290</u>	<u>\$ 42,749</u>	<u>\$1,252,443</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 4 – RECEIVABLES (CONTINUED)

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Special assessments	\$ 415,741	\$ -	\$ 415,741
Recreation fees	-	18,461	18,461
Total	<u>\$ 415,741</u>	<u>\$ 18,461</u>	<u>\$ 434,202</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$1,730,409	\$ 499,145	\$ -	\$2,229,554
Construction in progress	<u>420,726</u>	-	<u>(420,726)</u>	-
Subtotal	<u>\$2,151,135</u>	<u>\$ 499,145</u>	<u>\$ (420,726)</u>	<u>\$2,229,554</u>
Capital assets being depreciated				
Buildings	\$2,407,259	\$ 53,521	\$ -	\$2,460,780
Improvements other than buildings	2,636,355	845,734	-	3,482,089
Machinery and equipment	1,792,854	12,980	-	1,805,834
Infrastructure	<u>1,008,858</u>	<u>157,500</u>	-	<u>1,166,358</u>
Subtotal	<u>\$7,845,326</u>	<u>\$1,069,735</u>	<u>\$ -</u>	<u>\$8,915,061</u>
Less accumulated depreciation for				
Buildings	\$ 517,736	\$ 54,296	\$ -	\$ 572,032
Improvements other than buildings	1,249,639	193,424	-	1,443,063
Machinery and equipment	741,638	87,811	-	829,449
Infrastructure	<u>22,242</u>	<u>27,518</u>	-	<u>49,760</u>
Subtotal	<u>\$2,531,255</u>	<u>\$ 363,049</u>	<u>\$ -</u>	<u>\$2,894,304</u>
Net capital assets being depreciated	<u>\$5,314,071</u>	<u>\$ 706,686</u>	<u>\$ -</u>	<u>\$6,020,757</u>
Total capital assets – net of depreciation	<u>\$7,465,206</u>	<u>\$1,205,831</u>	<u>\$ (420,726)</u>	<u>\$8,250,311</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 5 – CAPITAL ASSETS (CONTINUED)

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in progress	\$ 13,262	\$ -	\$ (13,262)	\$ -
Capital assets being depreciated				
Infrastructure	\$9,644,477	\$ 262,465	\$ -	\$9,906,942
Less accumulated depreciation for Infrastructure	\$3,402,199	\$ 244,549	\$ -	\$3,646,748
Net capital assets being depreciated	\$6,242,278	\$ 17,916	\$ -	\$6,260,194
Total capital assets – net of depreciation	\$6,255,540	\$ 17,916	\$ (13,262)	\$6,260,194

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 29,058
Public safety	97,516
Public works	33,595
Parks and recreation	<u>202,880</u>
Total governmental activities	<u>\$363,049</u>
Business-type activities	
Water	<u>\$244,549</u>

NOTE 6 – INTERFUND TRANSFERS

The composition of interfund balances as of March 31, 2007 are as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Major funds:			
General	\$ 76,082	Agency	\$ 82,030
Sewer Distribution	455,228	Proprietary	<u>451,052</u>
Proprietary	<u>1,772</u>		
	<u>\$533,082</u>		<u>\$533,082</u>

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 6 – INTERFUND TRANSFERS (CONTINUED)

Interfund transfers in and out as of March 31, 2007 are as follows:

	Operating <u>Transfer In</u>	Operating <u>Transfer Out</u>
Major funds:		
General	\$ 66,800	\$(160,469)
Sewer Distribution	-	(66,800)
Township Improvements	<u>160,469</u>	<u>-</u>
Total	<u>\$227,269</u>	<u>\$(227,269)</u>

NOTE 7 – LEASES

The Township leases certain real estate adjacent to Pine Creek from Beechwood Reformed Church for the construction, maintenance and public use of a nature trail and walkway. The term of the lease is for 30 years beginning in 2000. The lease required only a single payment of \$10,000 at inception with no additional payments required during the 30 year lease period. Upon expiration of the initial term, absent the Church and Township negotiating and reaching a separate agreement regarding the property, the lease shall renew on a year-to-year basis for \$2,500 per year. After the 30 year term has expired, either party may terminate the arrangement with six months written notice.

The Township leases certain property to the Ottawa County Fair Association on a 15-year lease commencing April 1, 2006 with rent at \$1,800 per year. The Township also leases its airport facilities to Ottawa Aviation, Inc. on a 20-year lease ending in December 2012 and requiring annual payments of \$1,800 per year. Rental income under these arrangements was \$3,600 for the year ended March 31, 2007.

Future minimum annual rentals to be received are as follows:

2008	\$3,600
2009	3,600
2010	3,600
2011	3,600
2012	3,600

NOTE 8 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance to cover all risks of losses. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 9 – PENSION PLAN

The Township sponsors a money purchase retirement plan for all full-time employees who have attained the age of 20 ½ and have completed 1 ½ years of service. This plan is funded by current payments to a life insurance trust. The retirement plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account and the returns earned on investment of those contributions. Contributions to the plan are made by the Township based upon 13.4% of each employee's annual earnings. Total covered payroll for the Township's year ending March 31, 2007 was \$564,520 and total payroll for the Township's year ending March 31, 2007 was \$935,177. Employees are vested immediately upon entering the plan. Employer contributions for the year ended March 31, 2007 totaled \$75,646.

The Township also offers its employees a deferred compensation plan. The plan is available to all Township employees and permits them to defer a portion of their current salary until future years. Deferred compensation is not available to the employees until termination, retirement, death or financial hardship. Employee contributions for the year ended March 31, 2007 totaled \$6,593.

NOTE 10 – POST EMPLOYMENT HEALTH CARE BENEFITS

The Township provides post employment health care benefits to retired employees. Eligible recipients include all full-time elected and non-elected employees of the Township with a minimum of 10 years of service and a minimum age of 62, or have a combined age and years of service totaling 80 and a minimum age of 55. Retirement health insurance will not be available to an employee not employed by the Township until at least age 55 or having health insurance available through another employer. The Township's funded portion will be calculated at 3% of their applicable premium per year of service for primary coverage until eligible for Medicare at which time the Township funded portion will be calculated at 3% of supplemental coverage premium per year of service. These benefits were established by action of the Township Board and will be accounted for and financed on a pay-as-you-go basis as the Township makes monthly premium payments to its regular health insurance provider. As of March 31, 2007, four retirees received such post employment benefits. During the fiscal year ended March 31, 2007, expenditures of \$31,408 were recognized for post employment health care benefits, net of \$20,634 contributed by the retirees.

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

NOTE 11 – BUILDING DEPARTMENT

Revenues	
Inspections fees	<u>\$ 144,357</u>
Expenditures	
Wages and contract labor	\$ 161,227
Social security and fringe benefits	48,978
Office expenses	8,583
Other expenses	<u>16,183</u>
Total expenditures	<u>\$ 234,971</u>
Deficiency of revenues under expenditures	\$ (90,614)
Cumulative deficiency of revenues under expenditures March 31, 2006	<u>(299,706)</u>
Cumulative deficiency of revenues under expenditures March 31, 2007	<u>\$(390,320)</u>

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Township of Park has entered into two contracts providing for the acquisition, construction and financing of improvements to the Wyoming Water Supply System. The full faith and credit of the Township of Park have been pledged in the making of the payments to Ottawa County, issuer of the bonds. The 1995 bonds require amounts equal to 2.35%, and the 2002 bonds require amounts equal to 4.16% of the principal amount of the bonds actually issued and the interest thereon. The total principal outstanding on the 1995 bonds was \$2,260,000 at March 31, 2007. The total principal outstanding on the 2002 bonds was \$6,335,000 at March 31, 2007.

The Township of Park has entered into a contract providing for the acquisition, construction and financing of improvements to the City of Holland Waste Water Treatment Plant. The full faith and credit of the Township of Park have been pledged in the contract for the making of payments to Ottawa County, the issuer of the bonds, in amounts sufficient to pay 7.49% of the principal amount of the bonds actually issued and the interest thereon. The total principal outstanding on the 1994 bonds was \$6,580,000 at March 31, 2007.

## REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND  
YEAR ENDED MARCH 31, 2007

	Original <u>Budget</u>	Final Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes and special assessments	\$ 2,306,400	\$ 2,269,400	\$ 2,339,031	\$ 69,631
Licenses and permits	191,000	191,500	144,631	(46,869)
State shared revenues	1,238,059	1,238,059	1,221,874	(16,185)
Charges for services	48,500	48,500	34,133	(14,367)
Recreation	102,500	117,500	100,060	(17,440)
Interest	132,000	191,000	311,971	120,971
Reimbursements	22,000	2,000	16,968	14,968
Donations	-	-	10,000	10,000
Miscellaneous	62,000	92,500	77,389	(15,111)
<b>TOTAL REVENUES</b>	<b>\$ 4,102,459</b>	<b>\$ 4,150,459</b>	<b>\$ 4,256,057</b>	<b>\$ 105,598</b>
<b>EXPENDITURES</b>				
General government				
Board of trustees	\$ 14,800	\$ 17,300	\$ 15,820	\$ 1,480
Supervisor	69,744	69,744	69,744	-
Elections	37,500	41,500	37,376	4,124
Auditing fees	21,500	21,500	16,355	5,145
Assessor	134,600	134,600	129,057	5,543
Legal fees	116,900	116,900	99,485	17,415
Clerk	11,664	11,664	11,664	-
Board of review	3,000	3,000	418	2,582
Community services	133,000	136,000	132,909	3,091
Treasurer	60,552	60,552	60,552	-
Township office and computers	270,000	277,400	233,216	44,184
Township property	172,000	120,500	104,840	15,660
Employee benefits	393,300	451,800	358,759	93,041
Contingencies	88,469	88,469	-	88,469
Insurance	81,530	81,530	63,937	17,593
Cemetery	42,400	42,400	25,130	17,270
<b>Total general government</b>	<b>\$ 1,650,959</b>	<b>\$ 1,674,859</b>	<b>\$ 1,359,262</b>	<b>\$ 315,597</b>

See independent auditors' report

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND (CONTINUED)  
YEAR ENDED MARCH 31, 2007

	Original <u>Budget</u>	Final Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED)				
Public safety				
Police protection	\$ 567,000	\$ 567,000	\$ 498,932	\$ 68,068
Liquor inspections	1,800	1,800	1,800	-
Fire department	330,000	326,000	318,614	7,386
Building, plumbing, electrical inspections	191,200	191,400	159,616	31,784
Planning and zoning	65,000	65,000	62,924	2,076
Total public safety	<u>\$ 1,155,000</u>	<u>\$ 1,151,200</u>	<u>\$ 1,041,886</u>	<u>\$ 109,314</u>
Public works				
Streets	\$ 191,000	\$ 166,000	\$ 164,883	\$ 1,117
Drains at large	14,200	18,900	18,407	493
Engineering	3,800	3,800	3,686	114
Street lights	102,000	112,000	111,986	14
Total public works	<u>\$ 311,000</u>	<u>\$ 300,700</u>	<u>\$ 298,962</u>	<u>\$ 1,738</u>
Recreation				
Recreation department	\$ 108,200	\$ 135,200	\$ 120,006	\$ 15,194
Parks	65,800	65,800	60,000	5,800
Tot Time	20,500	23,500	19,865	3,635
Bicycle paths	377,000	377,100	170,542	206,558
Total recreation	<u>\$ 571,500</u>	<u>\$ 601,600</u>	<u>\$ 370,413</u>	<u>\$ 231,187</u>
Capital outlay				
General government	\$ 6,000	\$ 6,000	\$ 5,450	\$ 550
Public works	200	200	200	-
Public safety	21,000	21,000	20,670	330
Recreation				
Parks	300,600	889,600	873,240	16,360
Bicycle paths	81,000	81,000	91,094	(10,094)
Total capital outlay	<u>\$ 408,800</u>	<u>\$ 997,800</u>	<u>\$ 990,654</u>	<u>\$ 7,146</u>
TOTAL EXPENDITURES	<u>\$ 4,097,259</u>	<u>\$ 4,726,159</u>	<u>\$ 4,061,177</u>	<u>\$ 664,982</u>

See independent auditors' report

TOWNSHIP OF PARK  
OTTAWA COUNTY, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND (CONTINUED)  
YEAR ENDED MARCH 31, 2007

	Original <u>Budget</u>	Final Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,200	\$ (575,700)	\$ 194,880	\$ 770,580
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 66,800	\$ 66,800	\$ 66,800	\$ -
Transfers out	(72,000)	(72,000)	(160,469)	(88,469)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (5,200)	\$ (5,200)	\$ (93,669)	\$ (88,469)
NET CHANGE IN FUND BALANCE	\$ -	\$ (580,900)	\$ 101,211	\$ 682,111
FUND BALANCE - APRIL 1	5,497,260	5,497,260	5,497,260	-
FUND BALANCE - MARCH 31	\$ 5,497,260	\$ 4,916,360	\$ 5,598,471	\$ 682,111

September 18, 2007

To the Board of Trustees and Supervisor  
of the Township of Park

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Park as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Township of Park's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

1. The entity does not have the capability to adjust the balances in the governmental funds to the modified accrual basis of accounting.
2. The entity does not have the capability to adjust the balances of the governmental and business-type activities to the full accrual basis of accounting.
3. The entity does not have the capability to prepare the basic financial statements, the notes to the basic financial statements, and the required supplementary information as required by generally accepted accounting principles.

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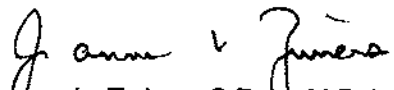
A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe the following deficiencies constitute material weaknesses:

Items numbered 1, 2, and 3 as listed above.

This communication is intended solely for the information and use of management, the Board of Trustees, and other within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

FERRIS, BUSSCHER & ZWIERS, P.C.

  
James L. Zwiers, C.P.A., M.B.A.

JLZ\kc